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NEW YORK TIMES
23 June 1985

Mexico City Depicted as a Soviet S

The following article is based on reporting by Robert Lindsey and Joel Brinkley and was written by Mr. Brinkley.

Special to The New York Times

MEXICO CITY, June 21 — American officials say the Soviet Embassy here is increasingly being used to mount espionage operations against the United States and that it has become a major conduit for the illegal diversion of advanced technology to the Communist world.

Soviet intelligence officers "in essence have a safe haven here," John Gavin, the United States Ambassador to Mexico, said this week.

A senior Mexican Government official acknowledged that there were espionage operations in Mexico City, but he defended Mexico's policy of permitting one of the largest overseas contingents of the Soviet intelligence and internal security agency, the K.G.B., to operate here with virtual impunity.

Mexico 'an Open Country'

Mexico, he said, is "an open country" and any country is allowed to have as many diplomats stationed in Mexico City as it chooses.

New attention has been focused on Mexico City as a result of the arrest of John A. Walker Jr., who is accused of running an extensive spy ring for the Soviet Union.

Agents searching Mr. Walker's home in Norfolk, Va., found receipts from a trip he apparently made to Mexico in 1975, and a senior American official said the Central Intelligence Agency and the Federal Bureau of Investigation were trying to determine what role the Soviet Embassy might have played in Mr. Walker's activities.

So far, the official said, agents have found nothing conclusive. But they know that numerous Americans accused of spying for the Russians have acknowledged using the Soviet Embassy here to meet their Soviet contacts.

Diplomats at the Soviet Embassy here declined to be interviewed for this article.

Mexican Government officials declined to offer official comment on questions concerning the Soviet presence here, although others were willing to discuss the matter if their names were not used.

United States counterintelligence specialists estimate that at least 150 K.G.B. officers are working out of the embassy under cover as diplomats, clerks, chauffeurs, journalists and in other jobs.

Agents Technically Trained

Increasingly, these specialists say, the K.G.B. officers assigned to Mexico City have technical training so they can manage Soviet efforts to steal American military and industrial secrets, using not only American agents but also what Mr. Gavin called "dummy companies" set up in Mexico to buy advanced American technology and then conceal its ultimate destination: the Soviet Union or other Soviet bloc nations.

As the United States begins trying to improve its counterespionage capabilities in reaction to the Walker family spy case, many American officials say they can not fully contain the problem as long as the Soviet Union maintains a large, unrestricted espionage operation in Mexico City, less than 700 miles from the United States.

American and Mexican officials say the Mexican Government allows Soviet agents to work here virtually without restraint as long as their target is the United States, not Mexico.

Soviet secret agents have been active in Mexico for much of this century. In 1940 Soviet assassins murdered Leon Trotsky, who had taken asylum in Mexico City three years earlier.

Today the Soviet Embassy, an imposing, walled complex in the heart of the city, is watched closely by the Central Intelligence Agency and, to some extent, by the Federal Security Directorate, Mexico's secret police.

Although the C.I.A. maintains a large station here, a senior American official said the C.I.A. officers cannot effectively monitor Soviet activities because they are far outnumbered by agents of the K.G.B. and other Eastern bloc nations that maintain embassies here, including Cuba, East Germany, Bulgaria, Hungary, Rumania, Poland and Czechoslavokia. Intelligence officers from those countries often work in concert with the K.G.B.

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not rely entirely on cooperation from the Mexican authorities. After a recent scandal involving allegations of bribery and drug dealing in the Federal Security Directorate, some senior American officials are worried that the directorate has been penetrated by the K.G.B. A senior Mexican official called that charge "preposterous."

Mexico has fewer than 50 people stationed at its embassy in Moscow. But the Soviet Embassy here, with more than 300 people, is one of the largest Soviet diplomatic missions in the world, even though Moscow has few official dealings with Mexico.

Less than 1 percent of Mexican exports are sold to the Soviet Union, and all the Soviet tourists who visit Mexico in a year "would fit in this room," Mr. Gavin said in an interview in his office.

A senior official of the Mexican Interior Ministry, asked why he thought so many Russians were stationed here, answered simply, "Our neighbor."

Russians Trained in English

Most Soviet officials sent here arrive with more training in English than Spanish, and as they serve here, "their English improves while their Spanish does not," said David A. Phillips, a former C.I.A. officer who was stationed here and later served as head of the agency's Latin America division.

The Soviet officers "aren't interested at all in Mexico; they're interested in the U.S.," said Melvin Beck, another former C.I.A. officer who spent five years working undercover in Mexico City.

A senior Mexican Government official said that most if not all of the 10 or so Soviet journalists working here are K.G.B. agents, and Ambassador Gavin agreed. The Mexican official said the Soviet journalists never attended press conferences or called the Government for information.

A few years ago the Soviet Government asked permission to build several new consulates along the Mexico-United States border, a request the Mexican Government denied after the United States "expressed the view that it wouldn't be helpful to us," a senior American State Department official said.

The Mexicans did allow Moscow to build a consulate in Veracruz, a major port on Mexico's Gulf Coast. And now, American officials here say, the United

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TIME
17 June 1985

Nation

Moles Who Burrow for Microchips

How high tech has raised the stakes of Soviet espionage in the U.S.

Were it not for a few telltale antennas and a curious whitewashed rooftop coop, the handsome brick edifice in San Francisco's tony Pacific Heights could be easily mistaken for a small, posh hotel. In fact, the owner is the Soviet Union and the occupants are at least 41 Soviet officials. That is an unusually large number of diplomats for a consulate in a medium-size American city, but the Soviets did not come to the Bay Area to stamp tourist visas. About half the consular officials, the FBI estimates, are actually spies.

The Soviets bought the building for its sweeping vistas of the bay, as well as its unobstructed microwave reception. The electronic gadgetry on the roof scans the airwaves and can pluck out conversations when a computer recognizes certain words or phrases. On a clear day, the Soviets can watch Navy aircraft carriers cruising under the Golden Gate Bridge and jets taking off from the Alameda Naval Air Station to the east. But the activity that truly intrigues the Soviets is 40 miles to the south, in Silicon Valley.

There, amid the taco joints and shopping malls, are hundreds of burgeoning high-tech firms that help give the U.S. its essential—but fast shrinking—edge over the Soviets in high-technology equipment. From their high-rent spy nest in San Francisco, KGB agents fan out through the valley, looking for Americans who can be bought and secrets that can be stolen.

Moscow's hunger for high tech has transformed the ancient art of spying. No longer are the Soviets principally interested in the traditional fruits of espionage—the enemy's order of battle, troop movements and codes—even though, as the Walker case vividly demonstrates, they would dearly like to know the secrets of U.S. antisubmarine warfare. High tech has both raised the stakes and broadened the game. It has made the Silicon Valley microchips as valuable as NATO war plans, and it has made traitors out of civilian engineers as well as Navy code clerks.

Kremlin scientists cannot possibly compete with their U.S. counterparts in the race of microchips and laser beams that have increasingly become the sinews of modern warfare. The Soviets have long been able to build powerful rockets and sturdy tanks, but their home-designed computers are slow and crude. To close the gap, the Soviets have waged a massive and successful campaign to capture America's technological wizardry. Since the late '70s, estimate U.S. intelligence experts, the Soviets have made off with 30,000 pieces of high-tech equipment and 400,000 technical documents. As a result, declares Assistant Secretary of Defense Richard Perle, they have cut the U.S. technological lead from ten years to as little as three. For the U.S. and its NATO allies, who rely on brains to beat brawn, on "smart weapons" to counter the larger Warsaw Pact forces, the high-tech drain is a factor of consequence in the precarious balance of power.

JIM POZARIC

Customs agents inspecting export-bound circuit boards

KGB spies are held to quotas just like salesmen.

The Reagan Administration has tried to limit the sale of high-tech equipment that can be put to military use and to crack down on the international "techno-bandits" who purchase or steal for the Soviets what they cannot directly buy. But in an open society that must trade freely with the world, the Reaganauts have about as much chance of preventing high-tech secrets from flowing out of the U.S. as they do of stopping cocaine and marijuana from flooding in.

Stealing high-tech secrets is nothing new; the Soviets have been doing it since at least the 1930s, when Communist agents made off with Western inventions like Eastman Kodak's formula for developing color pictures. In the late '40s the Russians even managed to steal atomic secrets. But in the 1960s, as the U.S. outmatched the Kremlin's big missiles with more accurate ones, Soviet spies were ordered by their masters to make high tech their No. 1 target. It is U.S. computer technology that the Soviets truly covet, for the ability to process masses of information in milliseconds is what makes modern weapons so deadly. Says FBI Counterintelligence Chief Ed O'Malley: "Science and technology is the KGB's largest growth industry."

Détente, with its scientific exchanges and increased East-West trade, was an enormous windfall for the Soviets. Pentagon officials still shake their heads over the guile of Soviet engineers who, as they toured a U.S. aircraft factory during the 1970s, would wear sticky-soled shoes to pick up metal filings. When the U.S. sent young scholars to Moscow to study Slavic languages, the Soviets exchanged "graduate students" who were often middle-age technocrats with a more than academic interest in microcircuitry. A huge truck factory built in the Soviet Kama region with U.S. financing and know-how, all acquired aboveboard, was put to work making the army transports that now convoy Soviet troops over the Afghanistan countryside. Far worse, grinding machines that can craft tiny ball-bearings, legally sold to the Soviets by a small Vermont company in 1972, have in the estimate of U.S. intelligence experts saved the Soviets about a decade of R. and D. on improving the accuracy of their ICBMs.

Today many Soviet weapons are reasonable facsimiles if not exact duplicates of American ones. The Soviet AWACS and space shuttles are carbon copies of earlier U.S. models. The Boeing short takeoff and landing (STOL) prototype, a breakthrough aerodynamic design, miraculously appeared just 16 months later as the Soviet AN-72. The SU-15 fighter that shot down the Korean Air Line's Flight 007 two years ago did so with a missile guidance system designed in the U.S. The Soviets do not even attempt to create their own computers anymore: the Kremlin's mainframe RIAD computer is IBM's 360 and 370 series of mainframes, right down to the color of its wires, while the Soviet AGAT personal computer is a copy of the Apple II.

The Soviets decide what to buy or steal by wading through the flood of technical journals and documents freely available in the U.S. Specialized translators at

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WASHINGTON TIMES
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Vernon Walters

Debunking the image of mysterious lone wolf

By Deborah Papier
THE WASHINGTON TIMES

The lone wolf. Furtive, mysterious. A creature of the shadows, moving stealthily through those nether regions of the diplomatic world where the light of publicity never shines.

This was the reputation Vernon Walters developed — some would say cultivated — in four decades of service to the United States as a military intelligence officer, deputy director of the CIA and special State Department envoy.

But Vernon [Dick] Walters, who two weeks ago became Jeane Kirkpatrick's replacement as ambassador to the United Nations, doesn't have much patience these days with that cloak-and-dagger image.

"It's bunk," he says. "The lone wolf creeping around; that's an overdone legend. I've been highly visible for a long time. I could show you a box as large as this coffee table filled with cassettes of public speeches I have made in various parts of the United States.

"I have not been publicity-seeking," he continues. "I don't seek the limelight, because I find I can work more effectively if I don't. But I don't shun it either. This idea of my fleeing and hiding ... as I said at the press conference the day I was nominated, I have never traveled under a false name; I have never used a passport that was not made out in my name; and unlike many of the people in this room I could say that I'd never registered in a hotel under any name but my own."

The point that Mr. Walters wishes to make is that he is not some mole suddenly forced, at the age of 68, to adjust to a life above ground. He does not see his new post as representing a radical change in direction for him, but rather as a natural culmination of a long career in foreign affairs that involved him in most of the important events of our time, from the implementation of the Marshall Plan in Europe after World War II and the founding of the Organization of American States, to the Paris peace talks with the North Vietnamese and the normalization of relations with the People's Republic of China.

"The reason why I do not feel awestruck by this job," says Mr. Walters, "is that everything I've been doing for many years has been in direct preparation for it. For 44 years I've been serving the United States all over the world. I've translated for six presidents. I would venture to say I've probably been involved in world affairs longer than any of my predecessors in this job."

"I think Walters comes to the job running full-speed," says former Secretary of State Alexander Haig, for whom Mr. Walters worked as a special envoy. "He'll have no learning process. He's fully abreast of all the international issues, has been involved in the evolution of those issues. He will garner a level of respect that may be unprecedented in the history of that post. I would anticipate he will be the most effective U.N. ambassador we've had in recent years."

Former President Richard Nixon goes even further, saying that Mr. Walters is a "world-class strategic thinker," and that this skill, combined with his linguistic talents (he speaks eight languages), makes him "the best-qualified American ambassador to the United Nations since the organization was founded."

Despite Mr. Walters' qualifications for the post, the course from his nomination to his confirmation was not a smooth one. He was nominated by President Reagan in early February. Six weeks later, it was reported that he was prepared to turn down the assignment unless he could be guaranteed the same access to National Security Council meetings that Jeane Kirkpatrick had, access that Secretary of State George Shultz evidently wished to deny him.

"It was not a matter of personal pique," says Mr. Walters. "I felt that if the position were diminished my voice would be muted, and it was not in the interest of the United States to have a U.N. delegate with a muted voice. I also thought that coming on the withdrawal from UNESCO, it could be interpreted as the United States' giving up on the United Nations, turning its back on it."

It is still not clear exactly how much access to the National Security Council Mr. Walters will have, but he professes himself content with the disposition of that particular issue.

"I've been told that the terms of reference of my job are exactly the same as [those of] my predecessor, which is perfectly satisfactory to me. A great many newspapers indicated that I had accepted a downgraded job, a lessened job, and that's just not true.

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WASHINGTON TIMES
3 June 1985

Soviet denials on pope's shooting backfire

By Michael J. Bonafield
THE WASHINGTON TIMES FOREIGN SERVICE

ROME — A communist public opinion blitz denying the involvement of the Soviet Union or Bulgaria in the plot to kill Pope John Paul II appears to have backfired.

As the trial of the eight men charged with complicity in the assassination attempt moves sluggishly into its second week, the effect of European public opinion is beginning to take a discernible toll on the two nations, one a recognized superpower, the other a satellite. The stakes are enormous for both.

Every night Radio Moscow devotes considerable time to denouncing the trial. Picked up from Izvestia, the government newspaper, is a series, "Anatomy of Provocations," which includes blistering personal attacks against the presiding magistrate, Judge Severino Santiapichi, and the prosecutor Antonio Marini.

The commentary, broadcast in every major European tongue, demands the charges against the three Bulgarian defendants be dropped, that the lone Bulgarian in custody, Sergei Antonov, be released immediately and that the Italian court apologize to the defendants.

The cry has been echoed by every major Communist party publication in Europe.

In London, for example, the Communist daily, "Morning Star" charged that the trial is "no mere legal mistake."

Claiming the proceedings are an attempt by "imperialism to gain a propaganda coup by linking the pope's fascist assailant with the security forces of Bulgaria and the Soviet Union," the Star said: "Journalists close to the CIA and others willing to go along for the ride, planted the story in the U.S. press, and then arranged for its distribution worldwide."

Using precisely the same words and phrasing as communist newspapers in France and Italy, the Star said "it was only a small step to arranging for the fascist-riddled security and legal arms of the Italian state to arrest Sergei Antonov in an elaborate frame-up."

No mention has been made in the Communist media about the five Turks accused in the plot.

At one of the entrances to Rome's bustling Piazzale Clodio, where the Court of Assizes sits in judgment on the defendants, the Italian Communist Party has set up a large, colorful exhibit blazing with posters denouncing the trial as a "CIA kangaroo court."

The Italian Party has long characterized the proceedings as another Sacco and Vanzetti trial, harking back to the sedition trial that convulsed America in the early part of the 20th century.

Passersby are encouraged to sign petitions demanding Mr. Antonov's release and an end to the "imperialist charade."

The point of this well-orchestrated campaign, said one Italian official close to the trial, is to divert attention from the real issue: Soviet-Bulgarian involvement in the attempt to kill the pope.

It seems to be having the opposite effect, however. There is scarcely a non-communist newspaper here that does not link the words "trial" with "Bulgaria" or "Soviet."

The word "conspiracy" already has entered the working vocabularies of everyone around the trial and journalists scoff at suggestions that there might not be a plot.

If the mood is one of incredulity when the Communist press mentions the CIA, questions persist here about the curious statements by the CIA on the trial and the apparent flip-flop in its analysis of events surrounding the May 13, 1981, shooting in St. Peter's Square.

Sources close to U.S. intelligence figures say the CIA has put a lid on statements about the trial. Previously, the agency had been passing the word that the murder plot was too "unprofessional" to be a KGB operation.

However, former CIA Director Richard Helms has maintained from the very start that the alleged use of the Bulgarian Secret Service DS to hire, train, and equip terrorists for the papal shooting was "a classic KGB operation."

Efforts to reach CIA spokesmen here and elsewhere in Europe have been unsuccessful.